



Testimony of the Michigan Chemistry Council
before the Michigan House Agriculture Committee
April 20, 2016

HB 4850

Mr. Chairman and Members of the Committee,

My name is John Dulmes, and I'm the executive director of the Michigan Chemistry Council. On behalf of my members, thank you for the opportunity to provide testimony on this proposed legislation today.

Chemistry is our state's third-largest manufacturing sector, and our companies support nearly 120,000 Michigan jobs and generate \$127 million in state and local taxes. 96% of all manufactured goods are directly touched by the business of chemistry, making our industry essential to every facet of Michigan's economy.

Under Michigan's current procurement statute, the Department of Technology Management and Budget (DTMB) is required to give a preference, "with all other things being equal", to products manufactured or services offered by Michigan-based firms, or Michigan facilities designated as Clean Corporate Citizens. The proposed legislation, HB 4850, would add in the phrase "or to biobased products" to these existing criteria. Biobased products would be defined as products carrying the US Department of Agriculture's Certified Biobased Products label.

We wanted to offer a few thoughts and our perspective about this legislation.

- To begin with, we fully support the development and production of biobased products. Many of our member companies make chemistry products from biobased feedstocks, as well as petro-based or synthetic feedstocks; some of our companies even have products that carry the USDA biobased label. There are a growing number of products that can be made from crops such as corn, soybeans, sugarcane and sugar beets, and biomass plants. The private market and consumer preferences will continue to drive this movement and increase product development.
- Our hesitation, however, is in using a product label and a government preference to advocate for particular products. And we're not sure that this legislation will produce any significant benefits for our state.
 - First, it's unclear how this legislation will help Michigan jobs. The statute already requires that Michigan products and services are to be given preference, all other things being equal. Biobased products do not have to be from Michigan, and indeed, many will be from elsewhere. Arguably, this legislation could actually undermine Michigan jobs, because it gives the category of "biobased products" equal consideration to Michigan products. So the legislation could be understood to mean that a biobased product made in another state or country could get a purchasing preference over another product from Michigan.
 - Second, the fact that a product is "biobased" does not make it inherently more sustainable or safer than a non-biobased product. Every individual crop and manufactured product has its own tradeoffs. A true life-cycle analysis would compare land use impacts, energy consumption, air emissions, product durability and performance, recyclability, and other factors. While agriculture serves an important role in helping to feed the planet (one that we support), it's also well-understood that there many sustainability factors that should be considered. Under the current law, the department is already able to weigh these factors and select the best product (including biobased products).
 - Third, we think that adding this purchasing preference is a very slippery slope. There are a number of other labels that various groups support that consumers may now buy, based on their own preferences. See below:



- While there are many positive things that could be said about each of these attributes and their labels, we would question whether these labels should be adopted as government policy, including purchasing preferences. We believe that one must draw the line somewhere, and it's unclear to us why a "biobased" product label should merit a purchasing preference while others should not.